

Virtual Assistant Technology and the Contact Center

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How Next Generation “Answer” Management
Can Increase Agent Performance and Maximize
Cost Advantages

The Paradox:

What’s Good for the Organization Can Cripple
the Contact Center

The modern contact center exists in a paradox. While the organization expends efforts to grow, either via customer/member acquisition efforts or promotions targeting existing customers, it's the contact center that must absorb the ensuing increases in contact volume.

The more successful the growth efforts, the more volume the contact center often must manage.

In cases where volume increases are accurately forecasted, the contact center braces for the impact. This usually involves “ramping up” by adding agents and perhaps additional training to meet service demands. This ramping process can certainly help achieve desired service level and customer experience outcomes, but often at a significant financial cost.

Unexpected volume spikes, on the other hand, can cause service levels to drop below acceptable standards and can quickly damage the customer experience.

After some time spent suffering these conditions, most organizations eventually set off on a quest to improve costs and performance in the contact center. This usually begins a cost-reduction effort with the focus on achieving new levels of operational efficiency, and “doing more with less”.

Thankfully, technology can play a big role in allowing contact center executives to achieve these desired results; in particular, organizations can go beyond operational efficiency in the contact center by leveraging virtual assistant/self service technology to facilitate two major competitive advantages:

- ▶ Increased Agent Efficiency
- ▶ Economies of Scale

1. Increasing Efficiency of Contact Center Agents

“First Call Resolution (FCR) is the most important metric for measuring customer service and cost performance.”

Mike Desmmarais, World Class Call Center

Any director or executive close to the workings of the modern contact center will likely agree with Desmmarais' statement that first call resolution is the lynchpin of contact center efficiency. FCR is widely viewed as the holy grail of contact center effectiveness.

Factors that typically jeopardize first call resolution often have their roots in pervasive, but solvable, impediments to agent performance. Some of the more common impeding circumstances we've observed include:

- ▶ an ever-expanding volume of data for reps to navigate and “keep current” on
- ▶ inconsistencies, ambiguity or inaccuracies in supporting documentation
- ▶ sluggish or hard-to-navigate documentation database

These conditions create a lack of confidence in an agent's own ability to find and provide accurate responses to customer inquiries.

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Since agents are essentially “at the mercy” of the tools they use, performance shortcomings tend to be pervasive and additional agent training rarely helps. In these situations, it’s common for widespread “confidence downturns” to permeate the agent group. When this happens, escalation is often the result and FCR rate plummets.

Overcoming these issues is a matter of empowering agents to be better informed, with supporting technologies for contact agents that are proven superior in terms of consistently returning accurate and reliable information required for resolution:

Agent Answers from IntelliResponse

is a contact center tool that has proven effective in this area, with a track record of reducing first-level call escalations by 20% to 33%. , as well as contributing to significant improvements to key performance measures such as AHT and CSAT scores.



2. Maximizing Cost Advantages with Economies of Scale

When it comes to maximizing cost advantages in the contact center, there are two parts to the discussion:

- ▶ The first part involves focusing on reducing contact center costs
- ▶ The second part involves focusing on reducing contact center volumes

These are different efforts that produce different cost reduction outcomes.

An organization that successfully reduces contact center costs will achieve a degree of operational efficiency. Upon achieving this new level of efficiency, many organizations are content to stop there. By also focusing on reducing contact center volumes, however, further costs savings become available, as does an additional cost advantage: economies of scale.

This brings up an important truth which is sometimes misunderstood, and therefore worth explaining clearly:

Achieving operational efficiencies does not automatically achieve economies of scale.

While one might assume that substantial costs reductions automatically bring with them scalability, this is actually a misnomer. The following scenario helps illustrate this.

Operational Efficiency vs Economies of Scale

Assume the contact rate of an organization’s customer or membership base is 14%.

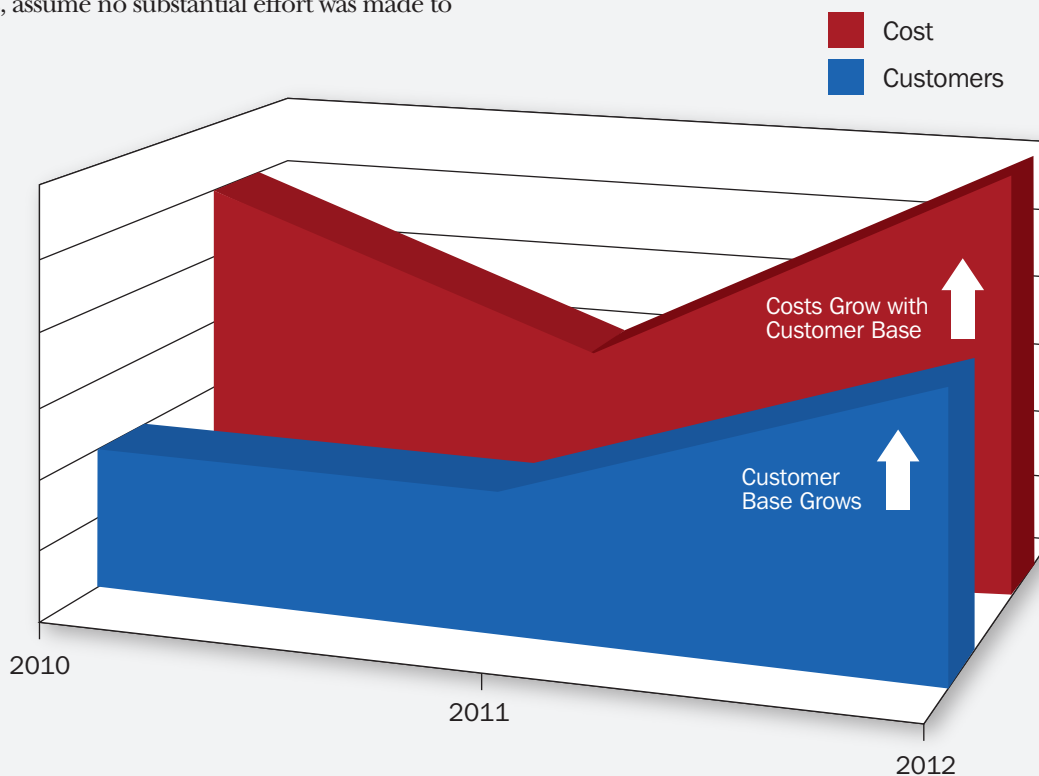
Also assume the organization undergoes substantial cost-cutting efforts and achieves significant operational efficiencies, which reduces contact center costs by a substantial amount.

So far, there’s nothing wrong with this scenario per se. However, consider this ripple:

While great efforts were made to reduce contact costs, assume no substantial effort was made to

reduce the contact rate. This means that, after the operational efficiencies were achieved, the customer contact rate remained unchanged at 14%.

In this scenario, the contact center can only enjoy the financial benefits of the newfound operational efficiencies as long as the organization does not grow their customer base. The moment the customers or membership begins to grow, costs increase, as the chart illustrates.



This above scenario illustrates that operational efficiencies in the contact center do not automatically produce economies of scale.

Achieving operational efficiencies does not automatically achieve economies of scale.

(Continued)

Operational costs can be reduced, but if the contact rate is not reduced, the operating cost per customer stays the same. (i.e. It remains at 14% in the above example.) In other words, as the customer base grows, operating costs also grow in proportion.

Economies of scale are achieved when the operating cost per member decreases as customer base (or membership) grows.

Therefore, achieving operational efficiencies, while critical, is merely one part of what should be a two-part discussion when setting out to maximize cost advantages in your contact center.

Focusing on efficiency alone does not achieve the complete cost advantages that are attainable with scalability.

To achieve scalability, one must invest in a sustainable way to reduce contact volume. This will reduce contact rate, which effectively reduces cost per customer as the customer base grows.

ASIDE: Spikes Hurt

Even for companies that are not pursuing aggressive growth, it's important to note that growth of the customer base is not the only factor impacting volumes to the contact center. Spikes in call volume and email volume have essentially the same impact as total customer base growth. Contact volumes can be hard to predict at the best of times, therefore, it pays to exert efforts to reduce call volumes on the whole.

Effective web self-service tools that deflect contact volume by resolving customer issues online make the contact center less susceptible to cost increases and service level shortcomings due to spikes.

Reducing Contact Volumes for Cost Savings and True Scalability

Reducing contact volumes begins by looking outside the contact center, to see where customer inquiries originate, and exploring options to deflect inquiries at that point. For most organizations today, the first point of contact originates online.

According to Forrester Research, 72% of US online consumers prefer to use a company's web site to get answers to their questions rather than contact companies via telephone or email. However, studies show that consumers are generally dissatisfied with the ability of company web sites to effectively answer

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their questions. This inability to get a first contact resolution results in more customers escalating their inquiries to more expensive customer service channels like phone and email.

Many organizations have turned to effective web-self service tools that provide a superior online experience for the customer. These tools increase first contact resolutions right at the point of origin – on the Web – and as a result, reduce phone and email volume in the contact center.

Next generation web self-service technology like the IntelliResponse Answer Suite has a track record of reducing (“deflecting”) call volume by 15-30%.

Such a reduction often equates to significant dollars in annual savings from call deflection alone. By deflecting calls, a contact center’s cost per customer decreases, achieving true economies of scale in the contact center, and enabling cost-effective growth.

Reducing call volumes in this manner provides these bottom line benefits for the contact center:

- ▶ Total call growth can occur (through membership growth or spikes) without having to increase staff
- ▶ The call center can typically more than offset the costs of web self-service technology by avoiding additional headcount requirement in the contact center.

And so, while the modern contact center may always be forced to deal with the paradox of growth and service volume, next generation virtual assistant and self service technology can help ease this burden by enhancing agent efficiency and creating sought after economies of scale. Managers and executives are encouraged to look for solutions that provide a consistent message across all major interaction points, including the agent desktop, web-site and social media channels, as well as technology that can deliver concise, accurate “answers” to the most commonly asked questions, rather than a series of search results.



About IntelliResponse

IntelliResponse enhances the multi-channel sales and customer service capabilities of hundreds of enterprise businesses and educational institutions. The company’s Answer Suite technology is an industry leading On Demand software platform that allows customers and service agents to ask questions in natural language, and get one right answer - regardless of the hundreds of ways the question may be asked. With more than 350 live customer-facing implementations answering 70 million+ questions with One Right Answer, IntelliResponse is the gold standard in first line customer experience management.

Some of the world’s most recognized corporate brands and higher education institutions trust their customer experience management needs to IntelliResponse - including ING Direct, CitiBank, Charter Communications, Computer Associates, Union Gas, Penn State University, The Ohio State University and Harvard University Extension School. For more information, visit www.intelliresponse.com, visit us on Twitter, Facebook, or via our new Blog.



For More Information

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